

WHAT IS VALUE-ADDED SELLING?

Value-added selling is more than a book, a speaker, a seminar, or this year's management theme. Since the publication of my first book in 1986, **Value Added Selling Techniques**, I've invested ninety percent of my speaking time spreading the good news about value-added selling to audiences all over the world. Many people think they know what it is, but in most cases they fail to understand the depth of this business philosophy and sales process.

The Value-Added Selling Philosophy

Value-added selling is a proactive philosophy of seeking ways to enhance, augment, or enlarge your bundled package solution for the customer. It's promising a lot and delivering more, always looking for ways to exceed the customer's expectations.

Value-added selling is a proactive philosophy. Value added salespeople take the initiative to add value. Value added salespeople do not wait for the customer to complain about the price and then say, "Hold on a minute while I whip some value-added selling on you!" Value added salespeople build more value in on the front end so that price becomes less of an issue on the back end. Being proactive with customers means you never have to say you're sorry.

Value-added selling is more than a sales course. It's a course of action—a business philosophy that emanates from rock-solid core beliefs. The first belief is that trust is the currency of great relationships. If two people trust each other, like each other, and want to do business with each other, they will work out the details. Despite technology and the complexity of many industrial sales, selling is still relationship management. Buyers may prefer brands, but they reserve loyalty for people.

A second core belief is that people want to get as good as they give. This commitment to equity shows itself in the desire to achieve win-win outcomes. If it's not a good deal for the buyer or the seller, it's a bad deal for both of them. When customers feel that they gave better than they got, they defect when the first opportunity presents itself. Thus, the seller loses. When sellers perceive that they gave better than they got, they resent the business and fail to serve enthusiastically. Thus, the customer loses. Win/win outcomes are the only acceptable results for long-term relationships.

A third core belief stems from a customer value focus—that the sale is more about the customer than the seller. It's their problem. It's their money. It's a solution with which they must live. The sale should be about the customer. Value, like beauty, is in the eye of the beholder. Value added salespeople define value in customer terms, not seller terms. If you define value in customer terms, they pay for it with a higher selling price. Conversely, if you define value in your terms, you pay for it with a bigger discount.

Because of this customer value focus, value added salespeople are in business to make a difference, not just to make a deal. They approach the sale by asking themselves this question, "Where can we have the greatest impact on the customer's business?" The natural outcome of this belief is that you will generate all the deals you can handle. This follows a parallel belief that you achieve success by helping other people achieve higher levels of success.

A fourth core belief is that you sell a bundled package solution—a three-dimensional solution: your product or service, your company, and yourself. Two major studies found that salespeople contribute at least one-third the value that customers receive. The company and product contribute the balance. The same product from the same company from two different salespeople is two

different solutions altogether. The salesperson's competence and attitude are primary drivers of customer satisfaction, loyalty, and retention.

This three-dimensional view of the solution offers great hope for companies and their salespeople. If you sell the product only, you open the field to too many competitors. Companies bring value to the table with their facilities, depth of resources, commitment to the industry, management philosophy, support, and their people. People represent the single unique dimension of value because there's no commodity in creativity and no traffic jam on the extra mile. Salespeople add value with their problem solving skills, follow-up, accessibility, knowledge, ability to get things done, logistics support, and initiative.

The Value Added Sales Process

Value-added selling happens when customers understand the complexity of their needs, feel motivated to act on these needs, and accept the value of the seller's total solution. Salespeople engineer this sale when they penetrate the decision process early, meet all levels of decision makers, define and sell value in customer terms, and convince the buyer that the seller's solution mirrors the buyer's needs. This is the value-added selling process.

It is a process of identifying viable opportunities, penetrating these accounts thoroughly, qualifying these opportunities, capturing the business, assuring buyer satisfaction, and retaining and growing the business. The latter activities differentiate value-added selling from traditional selling.

In traditional selling, salespeople focus on offensive selling activities; i.e. pursuing new business. In fact, there is a bad case of pipeline-itis in the United States. Managers are so obsessed with finding new business and discovering new opportunities that they often ignore their existing customers. Defensive selling is at least half of value-added selling.

It's nailing shut your back door so that you don't lose as much business from the back door as you bring in the front door. A big part of what value added salespeople do is to assure customer satisfaction with what they've sold the customer. They follow up. During this follow up they discover additional opportunities for business. For one-tenth the cost of acquiring new business, you can service an existing account and grow the business. Value added salespeople sell offensively and defensively.

The Role of The Value Added Salesperson

The value added salesperson's role evolves throughout the sales process and parallels the buyer's needs. Early in the sales process, the buyer's greatest need is for information about their needs and alternative ways to satisfy these needs. When the buyer purchases something, he wants smooth and painless transition. During usage, the customer wants maximum performance and economy from that which he buys.

Initially, the value added salesperson is a diagnostician—he diagnoses the customer's problems and then prescribes the right solution. The salesperson evolves into the promoter or persuader mode. It's here that the value added salesperson positions his company as the value added supplier, differentiates his solution, and presents his offering in a compelling manner. Both of these roles, diagnostician and promoter, satisfy the buyer's need for information.

Once the buyer chooses the salesperson's alternative the value added salesperson becomes a logistics support person for the customer. She follows the supply chain to ensure seamless transitions for the customer. As the buyer uses the product or service, the value added salesperson evolves into a

follow-up specialist to assure complete customer satisfaction and maximum performance and economy from the product or service.

The next logical role for the salesperson is growth specialist. He leverages his relationship with the customer into greater business opportunities directly by cross selling additional products or services or indirectly through referrals.

Value-added selling is significantly different than traditional selling. Traditional salespeople sell products—value added salespeople solve problems. Traditional salespeople attempt to create the buyer's needs—value added salespeople seek to understand the buyer's needs. Traditional salespeople make deals—value added salespeople want to make a difference. The fundamental selling skill for traditional salespeople is closing—the fundamental selling skill for value added salespeople is probing and listening.

Value-added selling is a win-win business philosophy rooted deep in your psyche. Value added salespeople seek ways to add value with their performance. They live by the question, "What am I doing today to add value to our efforts?" Their motto is simple: *Add value, not cost. Sell value, not price!*

Characteristics of Value Added Salespeople

Integrity—ninety-six percent of customers say that the number one thing they look for in salespeople is integrity. People want to do business with those whom they trust.

Empathy—this is the salesperson's ability to view life from the customer's point of view. There isn't a problem that aggressiveness will get you into that an equally strong measure of empathy won't keep you out of.

Initiative—this is the habit of being proactive. It's everything you do without someone telling you that you must do it.

Knowledgeable—customers report that what they want most in a solution is to deal with salespeople who are knowledgeable. If knowledge is power then what you don't know holds great power over you. Knowledge is empowerment.

Courage—this is not the absence of fear—it's the management of fear. Value added salespeople feel the fear and do what they know they must do.

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